

OFFICE OF THE GOVERNOR

RICK PERRY GOVERNOR

June 15, 2007

Stephen L. Johnson, Administrator U.S. Environmental Protection Agency Ariel Rios Building 1200 Pennsylvania Avenue, N.W. Washington, DC 20460

Dear Administrator Johnson:

On May 23, 2007, the Texas Commission on Environmental Quality (TCEQ), adopted the revisions of the State Implementation Plan pertaining to the Houston-Galveston-Brazoria (HGB) ozone nonattainment area and the Dallas-Fort Worth ozone nonattainment area. Because the HGB area is classified as a *moderate* nonattainment area for the eight-hour National Ambient Air Quality Standard (NAAQS) under the Federal Clean Air Act, the HGB area is required to attain the eight-hour ozone NAAQS by June 2010. Through extensive analysis, the TCEQ has determined that it is practicably impossible for the HGB area to meet the 2010 attainment date. In letters dated April 17, 2007 and May 21, 2007 from Administrator Greene and Acting Administrator William Wehrum to the TCEQ Chairman, EPA encouraged Texas to pursue a reclassification and described minimum requirements to fulfill SIP submittal obligations for the HGB area.

Therefore, concurrent with our SIP revisions, consistent with EPA's current guidance, and pursuant to Federal Clean Air Act § 107 (d)(3)(D), I request a reclassification of the HGB nonattainment area. Although preliminary technical data indicates that TCEQ's significant improvement is expected through 2013, more time is needed to demonstrate attainment. I request that the HGB area's ozone designation be reclassified to *severe*, with an attainment date of June 15, 2019.

Given the huge population, one of the largest and most comprehensively controlled petrochemical complexes in the world, and subtropical climate, the HGB area faces great challenges in meeting the eight-hour ozone standard. Modeling indicates that not even a complete shut down of the Houston Ship Channel industrial area would bring about sufficient reductions to bring the HGB area into attainment by 2010. Nevertheless, Texas has developed stringent and innovative regulations for the HGB area that aggressively address nitrogen oxides and volatile organic compounds. Estimated costs of implemented industry controls are currently at \$3 billion.

As acknowledged by Administrator Greene's letter, Texas has made tremendous progress over the past 15 years in addressing ozone in the HGB area. The one-hour ozone rules, which will not be fully implemented until 2008, have already decreased the ozone design value from around 220 parts per billion (ppb) in 1991 to 169 ppb in 2005. TCEQ analysis predicts the area of exceedance of the eight-hour standard will decrease over 80 percent from 2000 to 2009 (from 23,400 square kilometers to 4416 square kilometers). These decreases are expected to continue despite a rapid growth in the area's economy and population.

Within the next several years, major mobile source reductions and updated ozone model episodes are needed for HGB to demonstrate attainment. Since mobile sources are estimated to account for 54 percent of the overall nitrogen oxide emissions in HGB by 2009, reductions in this area are critical. Emissions from mobile sources will continue to decrease every year as new federal fuel and engine standards are implemented. Nitrogen oxide emissions from on-road mobile sources will decrease around 10% per year without any further state regulation. Texas has addressed mobile source emissions, not preempted by federal law, as much as possible through programs such as the Texas Emission Reduction Program (TERP) and Texas low emission diesel (TxLED). Over \$200 million has been spent on TERP alone in HGB since 2001. Additionally, Texas has just completed Texas Air Quality Study II (TexAQS II) which was in part funded with \$9 million in state funds since 2004. The data from TexAQS II will be used to develop new episodes for 2005 and 2006 that will result in a more robust, technically-sound, and economically-feasible SIP that will get the HGB area into attainment as soon as practicable.

Texas will work with the EPA to establish an appropriate deadline for SIP submission. We understand that the deadline for a SIP submission should be as soon as practicable but not later than June 15, 2010. I can assure you that Texas will do everything feasible to achieve attainment in HGB as soon as practicable in order to protect public health, while maintaining a strong economy.

Sincerely,

RICK PERRY Rick Perry

Governor of Texas

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